

Message Text

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PAGE 01 STATE 242495

62
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SIG-01 AGR-05 AGRE-00 STR-04

FEA-01 SSO-00 NSCE-00 USIE-00 INRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01

TRSE-00 PRS-01 SP-02 OMB-01 /088 R

DRAFTED BY EB/OT/TA:RMEYER:MH
APPROVED BY EB/OT:WGBARRACLOUGH

STR SLANDE

STR:JSTARKEY

TREAS:WBARREDA

COMM:DGARDNER

AGRIC:GWHITE

EUR/RPE:ECASEY

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O R 292348Z SEP 76

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

INFO AMEMBASSY COPENHAGEN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: ETRD, EEC

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PAGE 02 STATE 242495

SUBJECT: POULTRY/COGNAC

REF: EC BRUSSELS 8764

1. THE USG VIEWS THE OCTOBER 8 MEETING OF THE EC POULTRY MANAGEMENT COMMITTEE AS A FINAL TRIGGER FOR A DECISION WHETHER OR NOT TO RECOMMEND TO THE PRESIDENT THAT THE PRICE BREAK ON BRANDY VALUED BETWEEN \$9 AND \$17 BE REDUCED, I.E., THAT THE DUTY BE INCREASED. WITHOUT ACCEPTABLE RESULTS FROM OCTOBER 8 MEETING, A DECISION WILL ALMOST CERTAINLY BE MADE IMMEDIATELY IN FAVOR OF A ROLLBACK OF THE PRICE BREAK.

2. THE U.S. IS SEEKING AT A MINIMUM:

I. COMMISSION TO MODIFY APPROPRIATE EC REGULATION GOVERNING THE APPLICATION OF SUPPLEMENTARY LEVIES OR CHARGES ON POULTRY AND POULTRY PRODUCTS SO THAT CHANGES IN THESE CHARGES ARE EFFECTIVE AT THE TIME OF SHIPMENT RATHER THAN AT TIME OF ARRIVAL AT THE EC BORDER.

II. COMMISSION TO REVISE THE COEFFICIENTS USED TO DERIVE GATE PRICES FOR CERTAIN TURKEY PARTS:

PRODUCT	REVISED COEFFICIENT	CURRENT COEFFICIENT
(A) TURKEY DRUMSTICKS	0.60	0.90
(B) TURKEY THIGHS	0.90	1.55
(C) TURKEY BREASTS	1.55	1.65

III.

BEST EFFORTS COMMITMENT BY THE DUTCH AND FRENCH GOVERNMENTS TO ENSURE THAT THE LEVEL OF SUPPLEMENTAL CHARGES ON TURKEY AND TURKEY PARTS ARE NOT INCREASED ABOVE THE LEVELS IN EFFECT ON MAY 1, 1976, OR THE LEVEL WHICH WOULD HAVE RESULTED FROM APPLICATION ON LIMITED OFFICIAL USE

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PAGE 03 STATE 242495

THAT DATE OF THE ABOVE COEFFICIENTS, WHICHEVER IS LOWER, PENDING DEFINITIVE AND EARLY RESOLUTION OF THE POULTRY PROBLEM IN THE MTN. THIS DOES NOT PRECLUDE CHANGES WHICH RESULT FROM THE AUTOMATIC OPERATION OF THE VARIABLE LEVY SYSTEM. THIS ASSUMES THAT ANY DECREASES IN SUCH CHARGES WHICH WOULD RESULT FROM THE NORMAL OPERATION OF THE SYSTEM IF U.S. DELIVERED PRICES FOR THESE PRODUCTS RISE WILL BE DULY PROVIDED.

IV.

COMMITMENT FROM THE FRENCH GOVERNMENT TO EARLY TECHNICAL
DISCUSSIONS ON HEALTH REGULATIONS GOVERNING POULTRY
IMPORTS WITH A VIEW TOWARD POSSIBLE LIBERALIZATION OF
THESE REGULATIONS.

3. IN FORMULATING THESE REQUESTS, THE USG TOOK INTO
ACCOUNT THE EC'S STRONG FEELINGS AGAINST UNDERTAKING
FUNDAMENTAL CHANGES IN THE CAP. OUR REQUESTS ARE
CONSISTENT WITH CURRENT CAP PRACTICES, AND SPECIFICALLY
WITH THE POULTRY CAP. IT MAKES COMMERCIAL SENSE THAT
EXPORTS, ONCE PLACED ABOARD SHIPS, NOT BE SUBJECT TO
CHANGES IN PROTECTION. THE PROBLEM RE COEFFICIENTS ON
TURKEY PARTS HAS ARisen BECAUSE THE CURRENT COEFFICIENTS
GREATLY EXCEED MARKET VALUE RELATIONSHIPS BETWEEN
WHOLE TURKEYS AND PARTS IN THE U.S., THE WORLD'S
LARGEST AND MOST EFFICIENT PRODUCER. THUS THEY RESULT
IN UNREALISTICALLY HIGH MAXIMUM ALLOWABLE LEVELS FOR
SUPPLEMENTARY LEVIES. OUR OBJECTIVE IS TO OBTAIN
COEFFICIENTS WHICH ARE SUPPORTABLE BY MARKET VALUE
RELATIONSHIPS.

4. OUR REQUESTS FOR REDUCTION OF THE COEFFICIENTS ON
TURKEY PARTS AND FOR APPLICATION OF LEVIES ON DATE OF
SHIPMENT HAVE BEEN BEFORE THE COMMISSION SINCE FEBRUARY
1975. WE UNDERSTAND THAT THE COMMISSION IS STUDYING
THESE REQUESTS AS A RESULT OF THE SEPTEMBER 7 MEETING OF
THE POULTRY MANAGEMENT COMMITTEE (REFTEL). (FYI.
ACCORDING TO MILES COERPER, SPOKESMAN FOR THE COGNAC
EXPORTERS AT THE SEPTEMBER 22 TPSC HEARING ON
POULTRY/COGNAC, THE MANAGEMENT COMMITTEE WILL EXAMINE
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PAGE 04 STATE 242495

THE COMMISSION'S RECOMMENDATIONS RE COEFFICIENTS AT THE
OCTOBER MEETING. MR. COERPER DID NOT KNOW WHETHER DATE
OF APPLICATION WOULD ALSO BE EXAMINED. END FYI).

5. STR DENT HAS CALLED IN EC HEAD OF DELEGATION,
FERNAND SPAAK, TODAY TO DESCRIBE OUR REQUESTS AND TO
URGE THAT COMMISSION MEET OUR REQUESTS REGARDING DATE
OF APPLICATION AND COEFFICIENTS. SPAAK WAS GIVEN COPY
OF ITEMS 1 AND 2 IN PARA 2 OF THIS CABLE. DENT
EMPHASIZED THAT NO SOLUTION IS POSSIBLE WITHOUT THE
LEADERSHIP OF THE COMMISSION AND THE COOPERATION OF
THE FRENCH AND DUTCH GOVERNMENTS. HE URGED THAT
PROGRESS ON THIS ISSUE UNDERWAY SINCE AUGUST NOT BE
STYMIED NOW THAT AGREEMENT IS WITHIN REACH.

6. ACTION REQUESTED: EC BRUSSELS: AMBASSADOR
REQUESTED TO CONVEY TO THE COMMISSION, ON URGENT BASIS,
THE IMPORTANCE OF RESOLVING THIS ISSUE BY THE OCTOBER 8
MEETING.

7. ACTION REQUESTED: THE HAGUE: POSITION OF GON
WILL BE CRITICAL IN ANY EC DECISION TO MAKE THE
CHANGES WE ARE REQUESTING. DURING CALLS BY MINAG, DUTCH
INDICATED WILLINGNESS TO BE HELPFUL IN POULTRY MANAGE-
MENT COMMITTEE IN RETURN FOR ROLBACK CONCESSION ON
POTATO STARCH. (MEMCON BEING POUCHED TO EMBASSY).
EMBASSY SHOULD CONVEY TO GON CHANGES WE SEEK AND
THE CRITICAL IMPORTANCE OF AN ACCEPTABLE RESPONSE BY
OCTOBER 8. EMBASSY SHOULD INFORM GON THAT BASED ON
ACCEPTABLE RESPONSE BY OCTOBER 8 INCLUDING GON
COMMITMENT TO BEST EFFORTS, USG WILL TAKE STEPS TO
SUSPEND RETALIATION IN POTATO STARCH. STR IS MAKING
PARALLEL APPROACH TO THE DUTCH EMBASSY. EMBASSY WILL
BE KEPT INFORMED OF DEVELOPMENTS.

8. ACTION REQUESTED: PARIS: EMBASSY REQUESTED
TO APPROACH GOF AT HIGH LEVEL TO URGE RAPID POLITICAL
DECISION TO SUPPORT U.S. REQUESTS AND TO WORK FOR
SETTLEMENT WITH THE OTHER MEMBER STATES AND WITH
THE COMMISSION BOTH BEFORE AND AT THE OCTOBER 8 MEETING.

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FRENCH SHOULD BE ASKED TO CONFIRM THEIR WILLINGNESS TO
ENTER INTO BEST EFFORT COMMITMENTS AS DESCRIBED IN
POINT 3 OF PARA 2. THE U.S. ACCEPTS OFFER TO ENTER INTO
EARLY DISCUSSION ON HEALTH REGULATIONS GOVERNING
POULTRY IMPORTS WITH A VIEW TOWARD POSSIBLE LIBERALIZA-
TION OF THESE REGULATIONS. ROBINSON

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56

ORIGIN EB-07

INFO OCT-01 IO-13 ISO-00 /021 R

66011

DRAFTED BY:EB:OT/TA:RAMEYER

APPROVED BY:EB/OT/TA:DJDUNFORD

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R 051400Z OCT 76

FM SECSTATE WASHDC

TO USDEL MTN GENEVA

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FOLLOWING REPEAT STATE 242495 SENT ACTION TO BRUSSELS PARIS
THE HAGUE INFO COPENHAGE BONN BRUSSELS LUXEMBOURG LONDON
DUBLIN ROME SEPT 29, 1976 FROM SECSTATE

QUOTE LIMITED OFFICIAL USE STATE 242495

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: POULTRY/COGNAC

REF: EC BRUSSELS 8764

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TION OF THESE REGULATIONS. ROBINSON UNQUOTE
KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, POULTRY, COMMITTEE MEETINGS, ALCOHOLIC BEVERAGES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Reference: 76 EC BRUSSELS 8764
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Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

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Review Withdrawn Fields: n/a
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Status: NATIVE
Subject: POULTRY/COGNAC
TAGS: ETRD, EEC
To: EC BRUSSELS PARIS THE HAGUE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006